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October 13, 2004

VIA COURIER

DOCKET FILE COPY ORIGINAL

Ms. Marlene H. Dortch, Secretary
Federal Communications Commission
Wireline Competition Bureau
P.O. Box 358145
Pittsburgh, PA 15251-5145

Re: In the Matter of RCN Corporation, Debtor-in-Possession, Transferor, and RCN Corporation, Transferee, Application For Authority Pursuant to Section 214 of the Communications Act of 1934, as Amended, for the Transfer of Control of Authorized U.S. International and Domestic Communications Common Carriers

Dear Ms. Dortch:

RCN Corporation, Debtor-in-Possession ("RCN-DIP") and RCN Corporation ("RCN" together with RCN-DIP, "Applicants"), by undersigned counsel, hereby submit an original and six (6) copies of an application for Commission approval to transfer control of authorized carriers from RCN-DIP to RCN. Pursuant to Section 63.04(b) of the Commission's rules, Applicants submit this filing as a combined domestic section 214 transfer application and international section 214 transfer application ("Combined Application"). Applicants are simultaneously filing the Combined Application with the International Bureau, by courier and electronically via the International Bureau's Electronic Filing System ("IBFS"), in accordance with the Commission's rules.

Applicants also submit a completed Fee Remittance Form 159 and check in the amount of \$895.00, to the Federal Communications Commission, which satisfies the filing fee required for this Combined Application under line 2.b of Section 1.1105 of the Commission's rules.

Please do not hesitate to contact us if you have any questions regarding this filing.

Respectfully submitted,

Edward S. Quill, Jr. BPF

Jean L. Kiddoo
Edward S. Quill, Jr.

Counsel to Applicants

Enclosures

READ INSTRUCTIONS CAREFULLY
BEFORE PROCEEDING

FEDERAL COMMUNICATIONS COMMISSION
REMITTANCE ADVICE

Approved by OMB
3060-0589
Page 1 of 2

| | | | |
|---|--------------------------------|--|------------------------|
| (1) LOCKBOX # 358145 | | SPECIAL USE ONLY | |
| SECTION A - PAYER INFORMATION | | | |
| (2) PAYER NAME (if paying by credit card enter name exactly as it appears on the card) Swidler Berlin Shereff Friedman, LLP | | (3) TOTAL AMOUNT PAID (U.S. Dollars and cents) \$895.00 | |
| (4) STREET ADDRESS LINE NO. 1 3000 K Street, N.W. Suite 300 | | | |
| (5) STREET ADDRESS LINE NO. 2 | | | |
| (6) CITY Washington | | (7) STATE DC | (8) ZIP CODE 20007 |
| (9) DAYTIME TELEPHONE NUMBER (include area code) 202-424-7500 | | (10) COUNTRY CODE (if not in U.S.A.) | |
| FCC REGISTRATION NUMBER (FRN) REQUIRED | | | |
| (11) PAYER (FRN) 0004-3539-00 | | | |
| IF MORE THAN ONE APPLICANT, USE CONTINUATION SHEETS (FORM 159-C) COMPLETE SECTION BELOW FOR EACH SERVICE, IF MORE BOXES ARE NEEDED, USE CONTINUATION SHEET | | | |
| (13) APPLICANT NAME RCN Corporation, Debtor-In-Possession | | | |
| (14) STREET ADDRESS LINE NO. 1 105 Carnegie Center | | | |
| (15) STREET ADDRESS LINE NO. 2 | | | |
| (16) CITY Princeton | | (17) STATE NJ | (18) ZIP CODE 08540 |
| (19) DAYTIME TELEPHONE NUMBER (include area code) 609-734-3700 | | (20) COUNTRY CODE (if not in U.S.A.) | |
| FCC REGISTRATION NUMBER (FRN) REQUIRED | | | |
| (21) APPLICANT (FRN) 0011-0292-61 | | | |
| COMPLETE SECTION C FOR EACH SERVICE, IF MORE BOXES ARE NEEDED, USE CONTINUATION SHEET | | | |
| (23A) CALL SIGN/OTHER ID | (24A) PAYMENT TYPE CODE CUT | (25A) QUANTITY 1 | |
| (26A) FEE DUE FOR (PTC) \$895.00 | (27A) TOTAL FEE \$895.00 | FCC USE ONLY | |
| (28A) FCC CODE 1 | | (29A) FCC CODE 2 | |
| (23b) CALL SIGN/OTHER ID | (24B) PAYMENT TYPE CODE | (25B) QUANTITY | |
| (26B) FEE DUE FOR (PTC) | (27B) TOTAL FEE | FCC USE ONLY | |
| (28B) FCC CODE 1 | | (29B) FCC CODE 2 | |
| SECTION D - CERTIFICATION | | | |
| CERTIFICATION STATEMENT I, <u>Brett P. Ferenchak</u> , certify under penalty of perjury that the foregoing and supporting information is true and correct to the best of my knowledge, information and belief. SIGNATURE <u>Brett P. Ferenchak</u> DATE <u>10/13/04</u> | | | |
| SECTION E - CREDIT CARD PAYMENT INFORMATION | | | |
| MASTERCARD _____ VISA _____ AMEX _____ DISCOVER _____ | | | |
| ACCOUNT NUMBER _____ | | EXPIRATION DATE _____ | |
| I hereby authorize the FCC to charge my credit card for the service(s) authorization herein described. | | | |
| SIGNATURE _____ | | DATE _____ | |

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|---|-------------------------|--------------------------------------|
| FEDERAL COMMUNICATIONS COMMISSION REMITTANCE ADVICE (CONTINUATION SHEET) Page No <u>2</u> of <u>2</u> | | SPECIAL USE |
| | | FCC ONLY |
| USE THIS SECTION ONLY FOR EACH ADDITIONAL APPLICANT SECTION BB - ADDITIONAL APPLICANT INFORMATION | | |
| (13) APPLICANT NAME RCN Corporation | | |
| (14) STREET ADDRESS LINE NO. 1 105 Carnegie Center | | |
| (15) STREET ADDRESS LINE NO. 2 | | |
| (16) CITY Princeton | (17) STATE NJ | (18) ZIP CODE 08540 |
| (19) DAYTIME TELEPHONE NUMBER (include area code) 609-734-3700 | | (20) COUNTRY CODE (if not in U.S.A.) |
| FCC REGISTRATION NUMBER (FRN) REQUIRED | | |
| (21) APPLICANT (FRN) 0011-4329-86 | | (22) FCC USE ONLY |
| COMPLETE SECTION C FOR EACH SERVICE, IF MORE BOXES ARE NEEDED, USE CONTINUATION SHEET | | |
| (23A) CALL SIGN/OTHER ID | (24A) PAYMENT TYPE CODE | (25A) QUANTITY |
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| (23B) CALL SIGN/OTHER ID | (24B) PAYMENT TYPE CODE | (25B) QUANTITY |
| (26B) FEE DUE FOR (PTC) | (27B) TOTAL FEE | FCC USE ONLY |
| (28B) FCC CODE 1 | | (29B) FCC CODE 2 |
| (23C) CALL SIGN/OTHER ID | (24C) PAYMENT TYPE CODE | (25C) QUANTITY |
| (26C) FEE DUE FOR (PTC) | (27C) TOTAL FEE | FCC USE ONLY |
| (28C) FCC CODE 1 | | (29C) FCC CODE 2 |
| (23D) CALL SIGN/OTHER ID | (24D) PAYMENT TYPE CODE | (25D) QUANTITY |
| (26D) FEE DUE FOR (PTC) | (27D) TOTAL FEE | FCC USE ONLY |
| (28D) FCC CODE 1 | | (29D) FCC CODE 2 |
| (23E) CALL SIGN/OTHER ID | (24E) PAYMENT TYPE CODE | (25E) QUANTITY |
| (26E) FEE DUE FOR (PTC) | (27E) TOTAL FEE | FCC USE ONLY |
| (28E) FCC CODE 1 | | (29E) FCC CODE 2 |
| (23F) CALL SIGN/OTHER ID | (24F) PAYMENT TYPE CODE | (25F) QUANTITY |
| (26F) FEE DUE FOR (PTC) | (27F) TOTAL FEE | FCC USE ONLY |
| (28F) FCC CODE 1 | | (29F) FCC CODE 2 |

**Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554**

In the Matter of)
)
)

RCN Corporation, Debtor-in-Possession,)
Transferor)
)

and)
)

RCN Corporation)
Transferee)
)
)

Application For Authority Pursuant to Section)
214 of the Communications Act of 1934,)
as Amended, for the Transfer of Control of)
Authorized U.S. International and Domestic)
Communications Common Carriers)
_____)

File No. ITC-T/C-2004 _____

WC Docket No. 04 _____

APPLICATION

A. Summary of Transaction

RCN Corporation, Debtor-in-Possession ("RCN-DIP") and RCN Corporation ("RCN," together with RCN-DIP, "Applicants"), through their undersigned counsel and pursuant to Section 214 of the Communications Act, as amended, 47 U.S.C.A. § 214, and Sections 63.04 and 63.24(e) of the Commission's rules, 47 C.F.R. §§ 63.04 & 63.24(e), hereby respectfully request that the Commission grant authority, to the extent it deems it required, for a series of transactions required in connection with the emergence of RCN-DIP from bankruptcy and the associated conversion of RCN-DIP back to RCN which is currently anticipated to take place by December 1, 2004.

Currently, control of RCN-DIP is widely dispersed such that no entity or group of entities acting in concert holds working or actual control of RCN-DIP. Although the current public stock

ownership of RCN-DIP will change following RCN-DIP's emergence from bankruptcy, no entity or group of entities is expected to obtain or hold a majority interest or the ability to exercise actual working control in RCN as a result of RCN-DIP's emergence from bankruptcy. As described below, the proposed transactions will be completed at the holding company level and will not change the rates, terms or conditions of the services provided by the RCN Operating Companies.¹ The proposed transactions will therefore be entirely transparent with respect to services provided to customers who purchase those services.

On May 27, 2004, RCN-DIP and certain of its subsidiaries (not including any of the RCN Operating Companies) filed petitions² with the United States Bankruptcy Court for the Southern District of New York to reorganize under Chapter 11 ("Bankruptcy Court").³ RCN-DIP, along with its senior secured lenders and the official committee of unsecured creditors of RCN-DIP, have agreed upon a proposed Plan of Reorganization ("Plan") which is designed to effectuate certain changes in the capital structure of RCN in order to ensure that the RCN companies continue to have access to sufficient financial resources necessary to meet their working capital, debt service and capital expenditure needs. In particular, through the proposed Plan, RCN-DIP will convert its

¹ The following subsidiaries of RCN-DIP hold both domestic and international Section 214 authority: RCN Telecom Services, Inc., RCN Telecom Services of Washington, D.C., Inc., RCN Telecom Services of Massachusetts, Inc., RCN Telecom Services of Philadelphia, Inc., RCN-BecoCom, LLC, RCN Telecom Services of Illinois, LLC, and Starpower Communications, LLC. Those entities are referred to herein as the "RCN Operating Companies." In addition, RCN Telecom Services of Virginia, Inc. previously held international and domestic Section 214 authority. However, that entity surrendered its international Section 214 authority by letter dated September 17, 2004 and surrendered its domestic Section 214 in WC Docket No. 04-345, Comp. Pol. File No. 691.

In addition to the Section 214 authorizations held by the RCN Operating Companies, certain RCN subsidiaries (including in some instances the RCN Operating Companies) also hold other Commission licenses and/or local franchises. Applications and other required filings pertaining to those licenses are being filed under separate cover.

² *In re RCN Corporation, et al.*, jointly administered under Case No. 04-13638 (RDD) (Bankr. S.D.N.Y.). In accordance with Sections 63.03(d) and 63.24(d), (f), and (g) of the Commission's Rules, 47 C.F.R. §§ 63.03 & 63.24(d), (f) & (g), Applicants advised the Commission of the pro forma transfer of control of the RCN Operating Companies from RCN to RCN-DIP by letter dated June 24, 2004.

existing unsecured indebtedness, currently estimated at approximately \$1.2 billion, into new common stock of the reorganized RCN.⁴

The transactions described below are expected to provide RCN and the RCN Operating Companies with access to the capital required to ensure that telecommunications customers who purchase service from the RCN Operating Companies will continue to receive high quality services on an uninterrupted basis. The proposed transactions will allow RCN-DIP to emerge from bankruptcy thereby allowing RCN to resume its earlier growth as a competitor in the U.S. telecommunications marketplace. The proposed transactions therefore serve the public interest.

B. Request for Expedited Consideration

Expeditious grant of Commission approval is crucial to the completion of the Plan. In order for RCN-DIP to emerge successfully and to eliminate any further erosion of the RCN existing customer base, however, RCN-DIP, RCN and the RCN Operating Companies have an urgent need to complete the proposed transactions. It is currently contemplated that RCN-DIP will confirm its Plan and emerge from Chapter 11 no later than December 15, 2004, and any delay or other impediment to that process would be extremely detrimental. Accordingly, Applicants respectfully request that the Commission act upon this Application expeditiously in order to allow the proposed transactions to be consummated as soon as possible consistent with the expected timeline for emergence from bankruptcy.⁵

³ 11 U.S.C. § 1101, *et seq.* (hereinafter "Chapter 11").

⁴ A copy of the current version of the Plan of Reorganization (Ex. A) to Parent's Disclosure Statement) and related documents will be provided to the Commission upon request.

⁵ This Application involves a financial restructuring and related corporate transactions that are essential aspects of RCN-DIP's Plan of Reorganization and its emergence from Chapter 11 bankruptcy. Insofar as the transactions contemplated by the Plan are integral to the Plan being confirmed by the bankruptcy court and no single shareholder or group of shareholders will own a controlling interest in, or exercise actual working control of, RCN following the reorganization, the proposed transactions may be characterized as essentially *pro forma* in nature.

C. Joint Application is Eligible for Streamlined Processing

Applicants respectfully submit that this Application is eligible for streamlined processing pursuant to Sections 63.03 and 63.12 of the Commission's Rules, 47 C.F.R. §§ 63.03 & 63.12. With respect to the domestic authority, this Application is eligible for streamlined processing pursuant to Section 63.03(b)(2)(i) because, immediately following the transactions: (1) Applicants and their affiliates (as defined in Section 3(1) of the Communications Act – "Affiliates") combined will hold less than a ten percent (10%) share of the interstate, interexchange market; (2) to the extent that Applicants or their Affiliates provide U.S. local exchange services or exchange access services, those services are provided only in geographic areas served by a dominant local exchange carrier that is not a party to the transaction; and (3) none of the Applicants or their Affiliates are dominant with respect to any U.S. domestic telecommunications service.⁶ With respect to international authority, this Application is eligible for streamlined processing pursuant to Section 63.12(a)-(b) of the Commission's Rules, 47 C.F.R. § 63.12(a)-(b). In particular, Section 63.12(c)(1) is inapplicable because none of the Applicants is affiliated with any foreign telecommunications carriers except for foreign telecommunications carriers that qualify for a presumption of non-dominance pursuant to Section

Applicants submit this Application despite these facts and without prejudice to its legal position in this matter (including without limitation Section 1123(a)(5) of the Bankruptcy Code) in an abundance of caution and with complete respect for the Commission's practices and procedures. Should the Commission find, after review of this Application and supporting information, that its approval is not necessary or required, RCN requests that the Commission issue an order dismissing this Application. Should the Commission determine to proceed with a review of the matters set forth herein, however, Applicants respectfully request that such review be completed no later than December 1, 2004 to ensure that the Commission review will not impede, delay or otherwise jeopardize the successful emergence of Parent from bankruptcy.

⁶ RCN Telecom Services, Inc. is the incumbent cable provider in the Lehigh Valley, Pennsylvania. RCN Telecom Services, Inc. is not dominant with respect to telecommunications services in any area. In particular, RCN Telecom Services, Inc.'s broadband service in the Lehigh Valley consists only of a cable modem service and it does not provide DSL or other similar broadband services in the Lehigh Valley. As a result, Applicants respectfully submit that this Application is eligible for streamlined treatment.

63.10(a)(3) of the Commission's Rules, and none of the scenarios outlined in Section 63.12(c)(2)-(4) of the Commission's Rules applies.

In support of this Application, Applicants states as follows:

I. DESCRIPTION OF APPLICANTS

RCN-DIP is a publicly held Delaware corporation that is headquartered at 105 Carnegie Center, Princeton, NJ 08540. RCN-DIP is the ultimate corporate parent of the RCN Operating Companies which are described in further detail in Exhibit A. RCN-DIP and its operating subsidiaries and joint-ventures own high-speed, high-capacity advanced fiber optic networks that provide a package of services, including local and long distance telephone, high speed Internet, and video programming services primarily to residential customers in a number of major metropolitan areas including Boston, Chicago, Los Angeles, New York City, Philadelphia and San Francisco.

RCN and the RCN Operating Companies will be legally, financially and managerially qualified to continue to provide service following the restructuring.

- Information concerning the legal qualifications of the RCN Operating Companies to transact business will not change. Previous information regarding the RCN Operating Companies (none of which filed for bankruptcy) was submitted with applications and reports previously filed with the Commission. Such information is therefore already a matter of record, and Applicants respectfully request that the Commission take official notice of this information and incorporate it by reference herein.
- The Plan is expected to substantially improve the financial position of reorganized RCN. In addition, RCN has also proposed to enter into additional

debt financing arrangements in the aggregate amount of up to approximately \$500 million. Such financing will provide the reorganized RCN access to additional financial resources and ensure that the RCN Operating Companies can meet their obligations following RCN-DIP's emergence from bankruptcy.

- The proposed restructuring is not expected to materially or adversely affect the managerial or technical capabilities or qualifications of the RCN Operating Companies to provide service. Moreover, RCN will continue to be managed by an experienced team of executives who hold substantial experience both in overseeing RCN-DIP's operations and in the telecommunications industry. As a result, the proposed restructuring will not have an adverse impact on the managerial or technical qualifications of RCN or the RCN Operating Companies.

II. DESCRIPTION OF THE TRANSACTION

Applicants file this Application in connection with a series of transactions ("Transactions") whereby RCN-DIP will emerge from bankruptcy. The financial reorganization of RCN-DIP and the consummation of its Plan of Reorganization will include, among other things, the creation of ten (10) classes of holders of claims against and equity interests in RCN-DIP. With respect to ownership of RCN post-reorganization, the Plan provides that individuals and entities which hold certain general unsecured claims against RCN-DIP will receive 100% of the new common stock of reorganized RCN (or in the alternative a limited cash election), while the common stock now held by the equity holders of RCN-DIP will be extinguished as of the effective date of the Plan.⁷

⁷ In addition to the change in ownership contemplated by the Plan, the Plan anticipates that an internal reorganization of the RCN companies may occur in conjunction with its implementation. While the precise nature of those intra-corporate transactions is not yet known, all of such changes will be both *pro forma* in nature and transparent to RCN's customers. In accordance with Sections 63.03(d) and 63.24(d), (f), and (g) of the

Currently, the equity ownership of RCN-DIP (and indirectly of the RCN Operating Companies) is widely held such that no entity or group of entities acting in concert owns or exercises actual working control of RCN-DIP's voting stock. Following the consummation of the Plan, RCN's equity will also be held by diverse and unaffiliated entities since no entity is expected to hold actual working control of RCN's voting stock.

The proposed Transactions represent a financial restructuring primarily at the holding company level and will not result in any transfer or assignment of the authorizations or customers of any of the RCN Operating Companies to a third party or affect the rates, terms and conditions under which the RCN Operating Companies currently provide services to customers. As a result, the proposed Transactions will be transparent to customers of the RCN Operating Companies in terms of the services that those customers receive.⁸

III. PUBLIC INTEREST CONSIDERATIONS

Applicants respectfully submit that the proposed Transactions serve the public interest. In particular, Applicants submit that (1) the proposed Transactions will not adversely affect Applicants' managerial or technical qualifications, and will enhance the financial qualifications of Applicants; (2) the Transactions will benefit competition in the U.S. telecommunications market by enabling the RCN Operating Companies to continue to grow as effective competitors; and (3) the Transactions will assure that there is no disruption of service and will be virtually transparent to existing customers of the RCN Operating Companies.

Commission's Rules, 47 C.F.R. §§ 63.03 & 63.24(d), (f) & (g), Applicants will notify the Commission of any such transactions (to the extent required) if they occur.

⁸ An organization chart illustrating the corporate structure of RCN before and that which is anticipated following the consummation of the Transactions is attached hereto as Exhibit B.

The proposed Transactions will not adversely affect Applicants managerial or technical qualifications, and will enhance the financial qualifications of RCN. The proposed Transactions are primarily related to the capital structure and ultimate ownership of RCN and are not expected to affect the operations of the RCN Operating Companies. The proposed Transactions are also not expected to adversely affect the managerial or technical capabilities or qualifications of the RCN Operating Companies to provide service. As a result, the proposed Transactions are expected to be transparent to both the customers and the operations of the RCN Operating Companies and are not expected to substantially affect the managers and technical employees of the RCN Operating Companies who have responsibility for overseeing those day-to-day operations.

At the same time, however, the proposed Transactions are expected to improve the capital structure of the reorganized RCN by substantially reducing the debt and debt servicing requirements to which RCN-DIP is now subject. In particular, through the proposed Transactions, RCN-DIP's \$1.2 billion of unsecured debt will be eliminated, leaving approximately \$500 million of long term debt. Applicants anticipate that such changes to RCN-DIP's debt levels will create a capital structure which is more sustainable and which will enhance the ability of the reorganized RCN, through the RCN Operating Companies, to compete effectively.

The Transactions will also further the public interest by improving the ability of the RCN Operating Companies to compete against the larger, better-capitalized incumbent providers in both the local telephone and video services markets. The completion of the proposed Transactions will remove many of the financial constraints that led RCN-DIP to file bankruptcy. Those conditions currently limit the ability of the RCN Operating Companies to compete effectively in the interstate and international telecommunications markets. The proposed Transactions are therefore expected

to invigorate competition and to help to ensure that customers continue to have a competitively active and financially viable alternative in the residential communications marketplace.

Given the financial resources that have been available to RCN-DIP, the ability of the RCN Operating Companies to attract and compete for new customers has been hampered. Because the proposed Transactions are expected to reduce that impediment and allow the RCN Operating Companies to compete more effectively, Applicants hope to complete the proposed Transactions as quickly as possible. Accordingly, Applicants respectfully request that the Commission expedite the processing of this Application and grant the requested authority as soon as possible.

IV. INFORMATION REQUIRED BY SECTION 63.24(e)

Pursuant to Section 63.24(e) of the Commission's Rules, the Applicants submit the following information requested in Section 63.18 (a)-(d) and (h)-(p) in support of this Application:

(a) Name, address and telephone number of each Applicant:

Applicants:

RCN Corporation
105 Carnegie Center
Princeton, NJ 08540
Telephone: 609-734-3700

Licensees:

All of the RCN Operating Companies can be reached at RCN's address and telephone number set forth above.

(b) Jurisdiction of Organizations:

Applicants:

RCN Corporation is a corporation formed under the laws of the State of Delaware.

Licensees:

The state of organization for each of the RCN Operating Companies is provided in Exhibit A.

(c) Correspondence concerning this Application should be sent to:

Jean L. Kiddoo
Edward S. Quill, Jr.
Swidler Berlin Shereff Friedman, LLP
3000 K Street, NW, Suite 300
Washington, DC 20007-5116
(202) 424-7500 (Tel)
(202) 424-7645 (Fax)
JLKiddoo@swidlaw.com (Email)
ESQuill@swidlaw.com (Email)

With a copy to:

Joseph O. Kahl
Director, Regulatory and External Affairs
RCN Corporation
105 Carnegie Center
Princeton, NJ 08540
(609) 734-3827 (Tel)
(609) 734-6167 (Fax)
joseph.kahl@rcn.net (Email)

- (d)** All of the RCN Operating Companies hold domestic and international Section 214 authority. A complete list of the file numbers for such authority is provided in Exhibit A.
- (h)** Upon completion of the Transactions as set forth in the Plan, the following entities will directly or indirectly own 10% or more of the RCN Operating Companies:⁹
- 1) The following entities will own or control ten percent (10%) or more of the equity of **Starpower Communications, LLC**:

| | |
|----------|--|
| Name: | RCN Telecom Services of Washington, D.C., Inc. |
| Address: | 105 Carnegie Center Princeton, NJ 08540 |

⁹ A illustrative chart of the RCN Operating Companies is provided in Exhibit B.

Citizenship: US
Percentage Owned: 50%
Principal Business: Telecommunications

Name: Pepco Communications, L.L.C.
Address: 1801 K Street, N.W., Suite 900
Washington, DC 20006
Percentage Held: 50%
Citizenship: US
Principal Business: Communications

- 2) The following entities hold a ten percent (10%) or greater ownership or management interest in **Pepco Communications, L.L.C.:**

(i) Name: Pepco Communications, Inc.
Address: 1801 K Street, N.W., Suite 900
Washington, DC 20006
Percentage Held: 100%
Citizenship: US
Principal Business: Investment

- (ii) The following entities hold a ten percent (10%) or greater ownership or management interest in **Pepco Communications, Inc.:**

Name: Pepco Holdings, Inc.
Address: 701 9th Street, N.W., Tenth Floor
Washington, DC 20068
Percentage Held: 100%
Citizenship: US
Principal Business: Energy Holding Company

- (iii) No entity holds a ten percent (10%) or greater ownership or control interest in **Pepco Holdings, Inc.**

- 3) The following entities will own or control ten percent (10%) or more of the equity of **RCN Telecom Services of Washington, D.C., Inc. :**

Name: RCN Telecom Services, Inc.
Address: 105 Carnegie Center
Princeton, NJ 08540
Citizenship: US
Percentage Owned: 48%
Principal Business: Telecommunications

Name: RCN Internet Services, Inc.

Address: 105 Carnegie Center
Princeton, NJ 08540
Citizenship: US
Percentage Owned: 52%
Principal Business: Internet Services

- 4) The following entities will own or control ten percent (10%) or more of the equity of **RCN-BecoCom, LLC**:

Name: RCN Telecom Services of Massachusetts, Inc.
Address: 105 Carnegie Center
Princeton, NJ 08540
Citizenship: US
Percentage Owned: 100%¹⁰
Principal Business: Telecommunications

- 5) The following entities will own or control ten percent (10%) or more of the equity of **RCN Telecom Services of Massachusetts, Inc. and RCN Telecom Services of Philadelphia, Inc.:**

Name: RCN Telecom Services, Inc.
Address: 105 Carnegie Center
Princeton, NJ 08540
Citizenship: US
Percentage Owned: 100%
Principal Business: Telecommunications

- 6) The following entities will own or control ten percent (10%) or more of the equity of **RCN Internet Services, Inc., RCN Telecom Services, Inc., and RCN Telecom Services of Illinois, LLC:**

Name: RCN Corporation
Address: 105 Carnegie Center
Princeton, NJ 08540
Citizenship: US
Percentage Owned: 100% (of all three entities)
Principal Business: Holding Company

- 7) Following the proposed Transactions, the only entities that are expected to hold more than ten percent (10%) of **RCN Corporation** are certain affiliates of Tudor Investment Corporation. All of such ten percent (10%) or greater interests in

¹⁰ RCN-BecoCom LLC was formerly minority owned by NSTAR Communications, Inc. However, Applicants now believe that that interest has been extinguished.

RCN Corporation are ultimately controlled by U.S. citizens. The interests held by Tudor Investment Corporation are described below:¹¹

- (i) The following entity will own or control ten percent (10%) or more of the equity of **RCN Corporation**:

Name: The Raptor Global Portfolio Ltd.
Address: c/o Tudor Investment Corporation
1275 King Street
Greenwich, CT 06831
Citizenship: Cayman Islands
Percentage Owned: 13%
Principal Business: Investments

- (ii) The following entity owns or controls a majority of the equity of **The Raptor Global Portfolio Ltd.**:

Name: The Raptor Global Fund Ltd.
Address: c/o Tudor Investment Corporation
1275 King Street
Greenwich, CT 06831
Citizenship: Cayman Islands
Percentage Owned: 70%
Principal Business: Investments

- (iii) The following entity owns or controls a majority of the voting equity of **The Raptor Global Fund Ltd.**:

Name: Kid Shelleen LDC
Address: c/o Tudor Investment Corporation
1275 King Street
Greenwich, CT 06831
Citizenship: Cayman Islands
Percentage Owned: 100% (voting equity and control)
Principal Business: Investment Management

- (iv) The following entity owns or controls a majority of the equity of **Kid Shelleen LDC**:

Name: Tudor Arbitrage Partners L.P.

¹¹ In addition to its the interest in The Raptor Global Portfolio Ltd. described herein, Tudor Investment Corporation and affiliated entities (specifically Tudor BVI Global Portfolio Ltd., Altar Rock Fund L.P., and Tudor Proprietary Trading, L.L.C.) also will receive relatively small ownership interests in RCN Corporation. Such interests combined are expected to be less than five percent (5%) of RCN Corporation.

Address: 1275 King Street
Greenwich, CT 06831
Citizenship: US
Percentage Owned: 99%
Principal Business: Investment Management

- (v) The following entities own or control a majority of the equity of **Tudor Arbitrage Partners L.P.:**

Name: Tudor Group Holdings LLC
Address: 1275 King Street
Greenwich, CT 06831
Citizenship: US
Percentage Owned: 99%
Principal Business: Investment Management

Name: Tudor Global Trading LLC
Address: 1275 King Street
Greenwich, CT 06831
Citizenship: US
Percentage Owned: General Partner
Principal Business: Investment Management

- (vi) The following entity owns or controls a majority of the equity of **Tudor Global Trading LLC:**

Name: Tudor Group Holdings LLC
Address: 1275 King Street
Greenwich, CT 06831
Citizenship: US
Percentage Owned: 100%
Principal Business: Investment Management

- (vii) The following individual owns or controls a majority of the equity of both **Tudor Group Holdings LLC:**

Name: Paul Tudor Jones, II
Address: c/o Tudor Investment Corporation
1275 King Street
Greenwich, CT 06831
Citizenship: US
Percentage Owned: Chairman and majority ownership
Principal Business: Individual

- 8) Following the Transactions, other than those entities described above, no other entity will hold a 10% or greater direct or indirect interest in any of the RCN Operating Companies. Furthermore, as noted above, ultimate control of all of the 10% or greater shareholders of RCN will remain with U.S. entities and individuals.

Interlocking directorates:

The RCN Operating Companies have the following interlocking directorates with foreign carriers:

David C. McCourt is Chairman and Chief Executive Officer of all of the RCN Operating Companies except for Starpower Communications, LLC. Mr. McCourt is a Manager¹² of the Members' Committee¹³ of Starpower Communications, LLC. Mr. McCourt also serves on the board of MCM Holding, S.A. de C.V. ("MCM"), a competitive Mexican carrier described in greater detail below.

Peter D. Aquino holds a Director position with MCM and is a Manager of the Members' Committee of Starpower Communications, LLC.

The following individuals are all officers of all of the RCN Operating Companies other than Starpower Communications, LLC: Richard D. Rioboli, Barak Bar-Cohen, Ellyn Ito and Blair Worrall. All of those individuals also hold director positions with MCM.

Other than those listed above, none of the RCN Operating Companies have any interlocking directorates with a foreign carrier.

- (i) Applicants certify that none of Applicants is a foreign carrier. The RCN Operating Companies are currently affiliated with MCM, a non-dominant foreign telecommunications carrier that is authorized to provide telecommunications service in Mexico. MCM provides primarily local exchange services to business customers in Mexico.
- (j) Applicants are, and following the proposed transactions will continue to be affiliated with MCM. In particular, RCN International Holdings, Inc., a wholly-owned subsidiary of RCN Telecom Services, Inc., currently holds a minority interest¹⁴ in MCM.

¹² This position is the equivalent of a member of the Board of Director for Starpower Communications, LLC.

¹³ Members' Committee serves as the equivalent of a Board of Directors.

¹⁴ RCN International Holding, Inc. holds approximately 49% of the economic interests but only approximately 26% of the voting interests in MCM.

Other than continuing to provide service to Mexico where Applicants are affiliated with MCM as described above, Applicants certify that they do not seek to provide international telecommunications services to any destination country where:

- (1) An Applicant (or an RCN Operating Company) is a foreign carrier in that country; or
 - (2) an Applicant (or an RCN Operating Company) controls a foreign carrier in that country; or
 - (3) any entity that owns more than 25 percent of an Applicant, or that controls an Applicant, controls a foreign carrier in that country; or
 - (4) two or more foreign carriers (or parties that control foreign carriers) own, in the aggregate, more than 25 percent of an Applicant and are parties to, or the beneficiaries of, a contractual relationship affecting the provision of marketing or international basic telecommunications services in the United States.
- (k) Applicants certify that Mexico (the country referenced in subsection (j) above) is a member of the World Trade Organization¹⁵ and that MCM lacks market power and is non-dominant in the provision of telecommunications services in the Mexican market.
- (l) In satisfaction of Commission Rule 63.10(a)(3), 47 C.F.R. § 63.10(a)(3), Applicants certify that MCM does not hold 50% or more of the international transport and local access markets in Mexico (the international market in which that entity operates). As a result, MCM is presumptively non-dominant under the Commission's rules.
- (m) See response to (l) above.
- (n) Applicants certify that they have not agreed to accept special concessions directly or indirectly from any foreign carrier with respect to any U.S. international route where the foreign carrier possesses market power on the foreign end of the route and will not enter into such agreements in the future.
- (o) Applicants certify that they are not subject to denial of federal benefits pursuant to Section 5301 of the Anti-Drug Abuse Act of 1998. See 21 U.S.C. § 853a. See also 47 C.F.R. §§ 1.2001-1.2003.
- (p) Applicants respectfully submit that this Application is eligible for streamlined processing pursuant to Section 63.12(a)-(b) of the Commission's Rules, 47 C.F.R.

¹⁵

For further information, see http://www.wto.org/english/thewto_e/countries_e/mexico_e.htm.

§63.12(a)-(b). In particular, Section 63.12(c)(1) is inapplicable because none of the Applicants is affiliated with any foreign telecommunications carriers except for foreign telecommunications carriers that qualify for a presumption of non-dominance pursuant to Section 63.10(a)(3) of the Commission's Rules, and none of the scenarios outlined in Section 63.12(c)(2)-(4) of the Commission's Rules applies.

V. INFORMATION REQUIRED BY SECTION 63.04

In lieu of an attachment, pursuant to Commission Rule 63.04(b), 47 C.F.R. § 63.04(b) Applicants submit the following information in support of their request for domestic Section 214 authority in order to address the requirements set forth in Commission Rule 63.04(a)(6)-(12):

- (a)(6) A description of the proposed Transactions is set forth in **Section II. above**.
- (a)(7) RCN's services are provided through the RCN Operating Companies. The majority of such services are provided through RCN Telecom Services, Inc. The RCN Operating Companies provide local and long distance services in the following states California, Delaware, District of Columbia, Illinois, Maryland, Massachusetts, New Jersey, New York, Pennsylvania and Virginia.

The proposed Transactions will not cause the RCN Operating Companies to become affiliated with any provider of telecommunications services. Because the proposed Transactions will not involve any other carrier, the Transactions will have no adverse impact on the level of competition in the markets in which the RCN Operating Companies operate.

- (a)(8) Applicants respectfully submit that this Application is eligible for streamlined processing pursuant to Section 63.03 of the Commission's Rules, 47 C.F.R. §63.03. In particular, with respect to domestic authority, this Application is eligible for streamlined processing pursuant to Section 63.03(b)(2)(i) because, immediately following the Transactions, (1) Applicants and their affiliates (as defined in Section 3(1) of the Communications Act – "Affiliates") combined will hold less than a ten percent (10%) share of the interstate, interexchange market; (2) Applicants and their Affiliates will provide local exchange service only in areas served by dominant local exchange carriers (none of which are parties to the proposed Transactions); and (3) none of the Applicants or their Affiliates are dominant with respect to any telecommunications service.¹⁶
- (a)(9) Through this Application, Applicants seek authority with respect to both international and domestic Section 214 authorizations (this Application is being

¹⁶

See supra note 6.

separately and concurrently filed with respect to both types of authorities in compliance with Commission Rule 63.04(b), 47 C.F.R. § 63.04(b)). An addition to Section 214 authority, various RCN licensees hold wireless, international and Open Video System licenses. Applications and other filings, to the extent required, are being submitted under separate cover.

(a)(10) Prompt completion of the proposed Transactions is critical to ensuring that Applicants can obtain the benefits described in the foregoing application. Accordingly, Applicants respectfully request that the Commission approve this Application expeditiously in order to allow Applicants to consummate the proposed Transactions as soon as possible.


(a)(11) Not applicable.

(a)(12) A statement showing how grant of the application will serve the public interest, convenience and necessity is provided in **Section III.** above.

VI. CONCLUSION

For the reasons stated above, Applicants respectfully submits that the public interest, convenience, and necessity would be furthered by a grant of this instant Application. Indeed, as shown above, a delay in the RCN-DIP's ability to emerge from Chapter 11 or failure to grant this Application would directly harm the public interest. In light of the exigent circumstances and, in particular, the need to ensure continuity of service to existing customers, Applicants respectfully request expedited approval no later than December 1, 2004 to permit the proposed Transactions described herein to be consummated consistent with the completion as soon as possible consistent with expected timeline for emergence from bankruptcy.

Respectfully submitted,



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Counsel for Applicants

Dated: October 13, 2004

EXHIBITS

Exhibit A Section 214 Licenses

Exhibit B Organization Chart

Verifications

Exhibit A

Section 214 Licenses

| Licensee | State of Organization | International Section 214 File Number | FRN |
|--|-----------------------|---------------------------------------|------------|
| RCN Telecom Services, Inc. | Pennsylvania | ITC-97-425 | 0003252426 |
| RCN Telecom Services of Washington, D.C., Inc. | District of Columbia | ITC-19970723-00430 | 0003735172 |
| RCN Telecom Services of Massachusetts, Inc. | Massachusetts | ITC-19961004-00490 | 0003734969 |
| RCN Telecom Services of Philadelphia, Inc. | Pennsylvania | ITC-19970707-00384 | 0003735008 |
| RCN-BecoCom, LLC | Massachusetts | ITC-97-661 | 0003734993 |
| RCN Telecom Services of Illinois, LLC | Illinois | ITC-ASG-20030124-00088 | 0003735784 |
| Starpower Communications, LLC | Delaware | ITC-98-065 | 0003735016 |

All of the foregoing Licensees also hold blanket domestic Section 214 authority.

RCN Corporation (Debtor-in-Possession), a Delaware corporation, is currently the ultimate parent of the Licensees. RCN Corporation (Debtor-in-Possession)'s FRN is 0011-0292-61. Following the completion of the proposed transactions, the FRN for RCN Corporation will be 0011-4329-86.

RCN Telecom Services of Virginia, Inc. formerly held international and domestic Section 214 authority (*See File No. ITC-19970723-00430*). However, RCN Telecom Services of Virginia, Inc. has relinquished its international and domestic Section 214 authorizations (*See Letter from Jean L. Kiddoo and Brett P. Ferenchak, Swidler Berlin Shereff Friedman, LLP to Marlene H. Dortch, Secretary, Federal Communications Commission (Sept. 17, 2004) (surrendering international Section 214 authorization of RCN Telecom Services of Virginia, Inc.); Section 63.71 Application of RCN Telecom Services of Virginia, Inc., WC Docket No. 04-345, Comp. Pol. File No. 691 (automatically approved on October 8, 2004))*).

Exhibit B

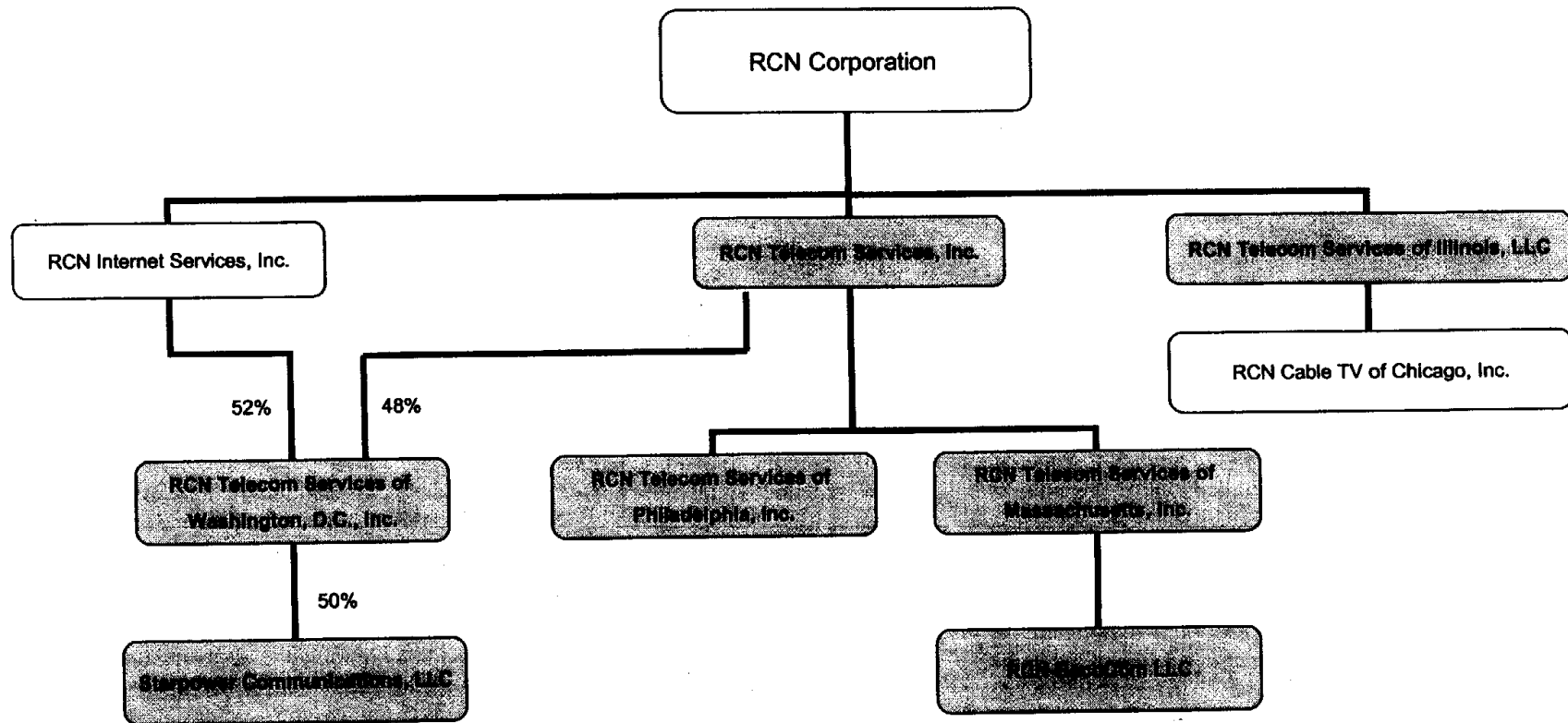
Organization Chart

RCN CORPORATION AND OPERATING COMPANIES

ORGANIZATIONAL CHART

Pre and Post Emergence

(No Change)



 = Entity holds Section 214 Authority

Verifications

VERIFICATION

STATE OF NEW JERSEY

:

: SS.

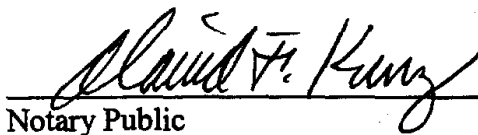
MERCER COUNTY

:

I, Joseph O. Kahl, being first duly sworn, state that I am Director of Regulatory Affairs of RCN Corporation, the corporate parent of Applicants in the foregoing Application; that I am authorized to make this Verification on behalf of Applicants; that I have read the foregoing filing and know the contents thereof; and that the same are true and correct to the best of my knowledge, information, and belief.


Joseph O. Kahl
Director of Regulatory Affairs
RCN Corporation

Sworn and subscribed before me this 17th day of September, 2004.


Notary Public

My commission expires:

10/24/04

DAVID F. KUNZ
NOTARY PUBLIC OF NEW JERSEY
MY COMMISSION EXPIRES OCT 24, 2004

VERIFICATION

STATE OF MARYLAND

:

:

ss.

COUNTY OF PRINCE GEORGE'S

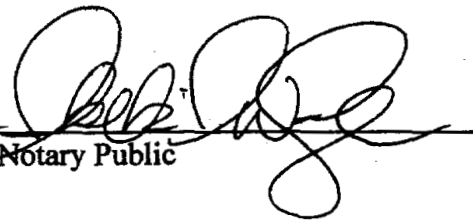
:

I, Richard Wadman, being first duly sworn, state that I am the General Manager of Starpower Communications, LLC, Party in the foregoing filing; that I am authorized to make this Verification on behalf of Starpower Communications, LLC; that I have read the foregoing filing and know the contents thereof; and that the same are true and correct to the best of my knowledge, information, and belief.



Richard M. Wadman
General Manager
Starpower Communications, LLC

Sworn and subscribed before me this 29 day of September, 2004.


Notary Public

My commission expires:

ABEHA A. WOLFE
Notary Public
Prince George's County, Maryland
My Commission Expires December 11, 2007